

HIGHLY CONFIDENTIAL

Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF VIRGINIA
3 NORFOLK DIVISION
4 No. 2:18cv530

5 CSX TRANSPORTATION, INC.,
6 individually and on behalf
7 of NORFOLK & PORTSMOUTH BELT
8 LINE RAILROAD COMPANY,

9 Plaintiff,

10 v.

11 NORFOLK SOUTHERN RAILWAY COMPANY,
12 et al.,

13 Defendants.

14 /

15 Remote Proceedings

16 December 8, 2020

17 9:47 a.m. - 6:38 p.m.

18 VIDEO DEPOSITION OF JAY STRONGOSKY

19 (via Teleconference)

20 (Highly Confidential)

21 Taken before SUZANNE VITALE, R.P.R., F.P.R.
22 and Notary Public for the State of Florida at Large,
23 pursuant to Notice of Taking Deposition filed in the
24 above cause.

25 Job No. CS4358779

EXHIBIT

35

HIGHLY CONFIDENTIAL

Page 45

1 a preferred port solutions. We are often --

2 Q. At some -- go ahead. I'm sorry.

3 A. Oh, we are very consistent in our
4 messaging to customers and ports that we are port
5 neutral.

6 Q. Fair enough.

7 With that said, some offer better margins
8 for CSX than others; is that fair to say?

9 A. Across the system, yes.

10 Q. When you say "across the system," what do
11 you mean by that?

12 A. Well, including all ports that we
13 represent as ports that we serve.

14 Q. Mr. Strongosky, I'd like to ask you about
15 the term -- the terms "single stack" and "double
16 stack."

17 Do you know what those terms mean?

18 A. Yes.

19 Q. Can you explain their relevance and what
20 they mean in your industry?

21 A. Sure. Creating double-stack efficiencies,
22 meaning the ability to load two containers, one on
23 top of the other, while moving rail transport, while
24 moving via rail, is more efficient and uses less
25 railcar capacity than a lane that would be single

HIGHLY CONFIDENTIAL

Page 46

1 stacked; whereas, you can roughly handle -- you can
2 handle twice as many containers on a double-stack
3 service versus a single-stack service.

4 Q. Is it fair to say for ports or terminals
5 where CSX has double-stack capabilities, it's able
6 to offer a lower cost to the steamship line
7 customer, all else being equal?

8 MR. HATCH: Objection, hypothetical.

9 THE WITNESS: I would say that as part of
10 our pricing to our customers, we price
11 according to what the market will yield with an
12 understanding of what our underlying costs are.
13 And if we cannot do it profitably, we unlikely
14 will do that. We will unlikely offer the
15 service.

16 BY MR. THORNBURGH:

17 Q. So routes where CSX has double-stack
18 abilities, capabilities, it can offer a better rate
19 to the steamship line customers; is that fair to
20 say?

21 MR. HATCH: Objection, misstates the
22 testimony and hypothetical.

23 THE WITNESS: Where our -- where we have
24 double-stack capabilities, our costs to handle
25 a unit is less than instances where we cannot